

BDAC Finance Work Group

Meeting Summary

June 18, 1997

Status Updates

Information reports were provided on the status of the federal funding effort, the State/Federal Cost Sharing Agreement, and the Ag/Urban group. The budget request still maintains the full \$143 million for FY98. Additional action is not expected until July. Stakeholders continue in their efforts to increase support in Congress for the appropriation, although the budget pressure is increasing. Getting through the Senate Budget committee, chaired by Pete Domenici of New Mexico, is going to be a challenge. The cost sharing agreement is expected to be circulated to the stakeholders within the next few weeks to begin the process of review and comment. The draft will be circulated to the BDAC finance work group initially.

Discussion of Allocation Approaches

As requested at the prior meeting, staff had revised the list of criteria for cost allocation comparisons. The group discussed these revisions, offered some additional comment, and agreed that the list was appropriate for the next step in the process. That next step is to select a list of specific cost allocation methods and evaluate them in detail using the criteria. Zach McReynolds suggested that an in-depth review could be completed within the next few months, and asked for all additional comments on the criteria to be submitted with the next few weeks so that work could begin. A list of allocation methods for analysis will be distributed prior to the next meeting.

The group then had an extended discussion of the list of additional policy issues that need to be discussed in coming months. The list included:

- Financial baseline issues
- Additional revenue sources beyond State/Federal/User
- Diversion fees
- Statewide public revenue sources other than G.O. bonds

The baseline issue was strongly felt to be the most important issue to begin working on. There was a general feeling of frustration over the inability to face some of the difficult issues due to lack of information and anxiety over the divisiveness of the issues. Staff agreed to distribute material related to the baseline issue prior to the next meeting.

Attendance

Eric Hasseltine
Roberta Borgonovo
Rosemary Kamei

Tom Maddock
Craig Stroh
Lora Steere

Amy Fowler
Randall Neudeck
Randy Chistopherson